

The general meeting of Regency Key Homeowners Association was called to order on Thursday, November 30 and 4:04 pm by President John McLemore.

John welcomed Quan Vo and Keith Phillips representatives from Ameritech.

It was moved and seconded to waive the reading of the minutes from the last member meeting.

John updated the members of the amount of savings that the board has been able to get since the board has been in place. Estimating savings amounted to more than \$100k which has helped to improve the financial picture of the community.

John reviewed in detail the current suggested 2024 budget line by line. He explained the fiduciary responsibility of the Board of Directors to offer options for monthly dues and/or assessments to allow for everyone to make an informed decision based on the information provided, with the board not being able to consider their own financial situation when proposing options for members to vote on.

John gave a detailed explanation of the reserves explaining that our reserves are currently classified as non-statutory via Florida Statue 720, which means we are not required to fully fund the reserves automatically or underfund by a vote of the membership. This also means the board can redirect funds from reserves via a vote at an open boarding meeting, instead of a member meeting being required. It has been recommended the membership try to update the governing documents to change our reserves to statutory.

It was noted that proposed budget and associated funding options were based on known items/estimations known prior to mailings sent out to owners, with each option having its own varying level of risk of additional funds being needed in FY24 or later years to replenish reserves. With it mentioned each option has at least some level of risk of initial estimates being too low, as not all "water intrusion" quotes/costs have come in from vendor(s) yet, not all paint and stucco bids received so far include all stucco work that may need to be done, it is not yet fully known how much insurance will go up again, etc. In addition, the board is also unable to predict costs for unexpected events/costs.

Throughout the meeting John gave updates and information about topics that were related to the budget and outstanding issues, with the following only a summary of some of items discussed:

- D&O/E&O insurance for the board was renewed on 11/29 with the board having to go with the only insurance agency willing to cover us. This year the price for the insurance went from approximately \$600 to approximately \$14k, with deductibles for any claims now being about \$35k. This increase is partially due to FL insurance climate, but also past board activities, etc.
- Trimming of palm trees is due for completion around 12/16. John explained that there had been some equipment problems initially that delayed trimming and the landscape company advised it was taking much longer than normal to do the trimming due to the excessive

number of fronds on each tree. Residents will be notified in advance if their vehicle is too close to the area being trimmed. The landscapers have started oak tree trimming has started in certain areas and expected to continue into the new year.

- Residents who still have “water intrusion” issues, the board is continuing to follow up with the property management company regarding. However, we continue to have difficulty finding qualified contractors to not only provide estimates that address any findings, but also give start/end timeframes. For some units, the work the HOA had completed earlier in the year, does appear to have stopped several “water intrusions” from continuing, with drywall replacement still the main activity that needs to be addressed at these units.
- The known pool leaks have been resolved. There are still some minor issues that could need to be repaired in the future. The repair of the pavers should be completed in the next few weeks, and then the required paperwork is expected to be submitted to the Health Department to see about reopening. John advised that there is not a way of knowing exactly how much water leaked out over the course of the last few years or how much that leak increased our water bill. His estimate is that we could see about \$1k per month decrease in upcoming water bills.
- The board will be evaluating the bids we have received for painting and stucco repair and should ideally be able to decide in the next few months and to get scheduled. Plan for discussions to occur at next board meeting in January.

Questions/Remarks from Members:

- 1) What responsibility does the roofing company have for the water leaks we have?
 - a) We are keeping detailed records of information as we get about issues that may be caused by the replacement of the roofs. The intention of the board is to submit as much information as we have to an attorney who is willing to take this case on a contingency basis. This will be a long process. Contact/communication with the roofing company has been unsuccessful, so far. We are also still trying to get corrected warranty information, as the current warranty only states 17 buildings and not 33.
- 2) How much involvement does Ameritech have in the decision-making process for the community?
 - a) Answered by Keith Phillips – Ameritech does not make any decisions for us. Their role is to provide assistance in accounting, bill paying, mailing and giving advice if it asked for by the board. All decisions relating to Regency Key are made by the Board of Directors.
- 3) What is the status of the sprinkler system on the property?
 - a) The landscape company will fix minor problems as part of their contract. They have done some of that and even a few larger items out of pocket already, but more work is still

probably needed. Residents should contact Ameritech if they feel there are sprinkler issues in their area.

- b) Contacting the landscape company directly by stopping someone while they are here will not get the issues resolved or considered an official request/statement to/from the HOA or property management.
 - c) Timing to have a perfectly working system is probably a year or more away. As, we still need to balance prioritization of irrigation that uses well water (where we just pay for electricity to pump), with that of other items in community and the costs of folks that may be doing more self-watering with a hose.
- 4) When is the pool going to open?
- a) All known repair issues should be resolved by mid-December. Residents were told that the board is ideally aiming to have it reopened by the end of December/January.
 - b) With regards to question if the pool will be open for summer, the board is unable to assure this as a number of unknown foreseen events could always occur that will keep the pool closed or close it again.
- 5) What is the HOA doing to alleviate burglaries in our area, as experienced by several homeowners last year?
- a) John reminded residents that even though we are gated at the front of the property, the fencing along the back of the property is barbed wire and easily assessable if someone wants to come to the property. Any fencing and gates can only act as deterrents and are not intended to be able to fully prevent any criminal activity from gaining entry to the community.
 - b) Residents being vigilant and keeping an eye out for strange vehicles or strangers on the property is helpful, especially when reporting any suspicious activity to the community email or property manager.
 - c) In addition, the board has discussed in board meeting(s) earlier this year to move forward with camera replacements/fixes at the front of the community, implementing gate code change that is starting tomorrow, and reestablishing violation enforcement (e.g. expired tags, etc.) to make the community a less attractive place to criminals for stolen vehicles, etc.
 - d) The property management performs background checks on new owners or new tenants per "Transfer/Lease Form" process, which owners are expected to be adhering to.
- 6) What is being done about those owners who have not paid their special assessment or dues?

- a) Owners who have not paid the previous special assessment of \$500 and some owners who are delinquent on monthly dues, are currently undergoing lien and foreclosure processes. Those liens will also incur additional attorney fees. This lien will prevent the owner from selling their property until all financial issues are resolved. Also in a worst case scenario, we have the right to foreclose on property for unpaid fees. This is a very expensive and time-consuming process and would only be used for critical delinquencies.
 - b) In addition, we are looking into laws that would allow the HOA to collect from a tenant if an owner who is delinquent is renting out their unit.
 - c) Enforcement of removing voting and eligibility rights of any owner delinquent by 90 days on any payments (e.g. unable to vote on items up for membership vote, run for board, etc.)
- 7) How does our HOA fee compare to others in our area? And if the Special Assessment passes what can be done about making arrangements to pay if the first installment is difficult due to Christmas expense?
- a) Keith Phillips responded that our monthly fees, even if raised to \$460 are some of the lower that Ameritech knows about at the moment, with most HOAs also having to do some sort of special assessment(s) this year too.
 - b) Owners can always try speaking to the property manager and board, as the HOA is willing to try to work with folks on a case by case basis for any financial situations, as long as it is within our legal rights, we are not being selective, etc. It was also reminded to everyone that the last date to pay each month is 15th days after the due date, per the association's governing documents.

It was determined that there was a quorum in order to proceed with voting on the special assessment options proposed. Keith Phillips from Ameritech monitored the voting process and counted the votes. They are as follows:

Option A - \$400/month with \$1250 Special Assessment: 9 Votes

Option B - \$400/month with \$1000 Special Assessment: 27 Votes

Option C - \$460/month with no Special Assessment: 14 Votes

Based on this Option B will be enacted. As per meeting notification and proxies, votes for Option A will count towards Option B if there were not enough votes to count towards Option A. With votes for Option A and B combined, more than the required 2/3 vote needed.

Announcements/Reminders:

John reminded those in attendance that annual contact information sheets need to be filled out and submitted. As this provides the association with up-to-date contact information in case of emergency, etc. Each new owner or new tenant is also required to fill out and submit "Transfer/Lease Form" before sale or rental agreement is finalized.

John reminded those in attendance that the violations are now occurring again. After the board has been working on throughout the year to get it fully reestablished, to meet board required fiduciary duty. Violations can result in fines, with not all violations requiring a warning or notification beforehand. Though each violation will need to go through process with violation committee involvement as stated in FL Statute 720. Everyone received a violation letter notification in the budget meeting notification packet, with letters also posted to all unit doors within the community earlier in the month.

- John noted that approximately 15 to 20 units had already been flagged for violations by the compactor area alone in the last two weeks.

Regency Key will be having a yard sale on Saturday, December 2nd from 8:00 AM to 1:00 PM. All residents are welcome to participate. Also, there will also be Bingo from 4:00 PM to 7:00 PM. John corrected the flyer by telling everyone that all proceeds be allocated as allowed via Florida Statute 849, meaning none of the proceeds will be allowed to go to the HOA due to it being a "not for profit" instead of a "nonprofit" organization.

It was announced that the annual meeting for the FY24 board elections would be scheduled at some point between January and March 2024. It was also announced that no current board member is planning to run again for a board position. Therefore, if anyone is interested, they can reach out and the board/property manager can get an election section added to the HOA website for folks. More information on this and other items to go out with annual meeting notification packets.

The meeting was adjourned at 5:22 pm

Jan Stencel